

Questions & Answers (Q & A's)

Maryland Solar Energy Grant Program

Revised April 28, 2006

- I. Introduction
- II. General Information
- III. Scope of Statute
- IV. Eligibility Criteria
- V. Application Procedures
- VI. Grant Offers & Awards

I. Introduction

These Q & A's are meant to help Maryland citizens understand the Solar Energy Grant Program (2004 Regular Session Senate Bill 485 and House Bill 714) and the implementation regulations.

This document is not a substitute for the Act or the regulations, and should not be relied upon for legal purposes. For a copy of the Solar Energy Grant Program regulations, go to MEA's Web site www.energy.maryland.gov/programs/renewable/solargrant and click on Solar Energy Grant Program Regulations. For further information, please contact Tim LaRonde at the Maryland Energy Administration tlaronde@energy.state.md.us.

II. General Information

Q1: What is the purpose of the Solar Energy Grant Program?

A1: The Solar Energy Grant Program provides funding for a portion of the costs to install certain qualifying solar energy systems.

Q2: Who is responsible for the implementation of this program?

A2: The Maryland Energy Administration (MEA) is responsible for the implementation of this program.

Q3: Where can I find information about the Solar Energy Grant Program?

A3: Information about the Solar Energy Grant Program can be found on the Maryland Energy Administration's Web site (<http://www.energy.maryland.gov/programs/renewable/solargrant>).

Q4: Where can I find a copy of the Solar Energy Grant Program Act?

A4: The Solar Energy Grant Program Act (Senate Bill 485 of the 2004 Regular Session) can be found online at <http://mlis.state.md.us/2004rs/billfile/sb0485.htm>.

Q5: When does the program take effect?

A5: The Act specified that the program be in effect in January 2005. MEA began taking applications for the first funding cycle on January 3, 2005. The second funding cycle was announced on July 20, 2005. MEA began accepting applications again on August 22, 2005. On April 28, 2006 MEA announced that for the third funding cycle MEA will begin accepting applications on **June 1, 2006** and will begin making grant offers in July 2006.

Q6: How do I find businesses that sell and install solar energy systems?

A6: For information about local solar installers, contact local solar organizations such as the Maryland, DC, Virginia Solar Energy Industries Association (MDV-SEIA: <http://www.mdv-seia.org>) or e-mail info@mdv-seia.org. Another source of information on local solar companies is Find Solar <http://findsolar.com>.

Q7: Where can I find more information about solar energy?

A7: For more information about solar energy visit MEA's Web site (<http://www.energy.maryland.gov/programs/renewable/solargrant>) or the U.S. Department of Energy's Web site (<http://www.eere.energy.gov/solar>).

Q8: How much grant money is available?

A8: The budget for the first funding cycle of the program was \$103,500. The budget for the second funding cycle was \$75,000. Governor Ehrlich requested an additional \$2.5 million, a significant increase in the program funding, in his budget for Fiscal Year 2007. The General Assembly approved a budget of \$1.5 million to be used for the Solar Energy Grant Program and the Geothermal Heat Pump Program. It is anticipated that at least \$1 million will be available for solar grants in Fiscal Year 2007.

It is possible that some qualified applicants may not receive a grant offer. Nonconforming applications will not be accepted; therefore, it is important to carefully follow all program procedures in order to be eligible for a grant offer.

Q9: Who can I contact for more information about the program?

A9: For more information about the Solar Energy Grant Program contact the Maryland Energy Administration at 1-800-723-6374 or e-mail meainfo@energy.state.md.us. For specific details contact Tim LaRonde at 410-260-7539 or tlaronde@energy.state.md.us.

III. Scope of Statute

Q10: What types of solar energy systems qualify for a grant in the program?

A10: Photovoltaic solar property and solar water heating property for use within a structure, with the exception of pools and hot tubs, are the types of systems which will receive grants through this program.

Q11: To whom does this program apply?

A11: The program applies to individuals, businesses and local governments in the State of Maryland.

Q12: What amount of the system cost will be covered by the grant?

A12: Grants will be offered for 20 percent of the total installed system cost, subject to the caps below. The maximum grant amounts are in three categories:

<u>Category</u>	<u>Maximum Grant Amount</u>
Water Heating.....	\$2000
Residential Photovoltaics.....	\$3000
Nonresidential Photovoltaics.....	\$5000

Q13: Where can I find information about eligibility criteria, terms and conditions and the application process?

A13: MEA has posted this information on its Web site (www.energy.maryland.gov/programs/renewable/solargrant). The regulations have been posted on the Web site as well.

Q14: When were the specific details of the program made available to the public?

A14: Program details for the first round of funding were made available on December 10, 2004. Details for the second round of funding were made available to the public on MEA's Web site on July 20, 2005. A third revision was posted on January 25, 2006. Details for the third funding cycle were announced on April 28, 2006.

IV. Eligibility Criteria

Q15: Is there a minimum size requirement for a solar energy system?

A15: Yes. Minimum system sizes follow the same guidelines as the U.S. Department of Energy's Million Solar Roofs Initiative. They are as follows:

The minimum size for a solar water heating system for residential, school or public buildings is 20 square feet of collector area (or 1.0 kW equivalent). The minimum size for commercial systems is 40 square feet of collector area (or 2.0 kW equivalent). The minimum size for a residential photovoltaic solar energy system is 500 Watts (0.5 kW).

The minimum size for schools, public buildings and churches photovoltaic solar energy systems is 1000 Watts (1.0 kW).

The minimum size for commercial photovoltaic systems is 2000 Watts (2.0 kW).

Q16: The regulations list individuals, local governments, and businesses as eligible to apply for a grant. Are nonprofit and religious organizations considered eligible?

A16: Yes, nonprofit and religious organizations are eligible to apply for solar grants.

Q17: Can grants be awarded for solar energy systems installed prior to the opening of the grant program?

A17: The majority of grants will be offered to applicants who have not yet installed their solar energy system. MEA is considering allowing for retroactive grants to qualified solar projects installed on or after January 1, 2006.

Be aware that there is no guaranteed grant funding for projects installed prior to applying for a grant. The system owner must assume all costs and risks associated with the installation. It is possible that not all qualified applicants will receive grant offers.

Q18: Can a grant be awarded for adding on to an existing solar installation?

A18: If an applicant intends to add-on to an existing system, they may apply for a grant, keeping in mind that the minimum size requirements apply to the new portion of the system. See Q&A #15 for details.

Q19: Can grants be awarded for solar water heating systems used to heat pools or hot tubs?

A19: No. The law passed by the General Assembly that created the Solar Energy Grant Program specifies that: “Solar energy property” does not include a swimming pool, hot tub, or any other energy storage medium that has a function other than storage.”

Q20: Can grants be awarded for solar water heating systems where the energy generated is not used within a structure?

A20: The law specifies that solar water heating property be installed in connection with a structure, for use within the structure.

Q21: Can grants be awarded for photovoltaic solar energy systems that are not utility interconnected (grid-tied)?

A21: Yes, provided that the other conditions are met. Minimum size requirements still apply.

Q22: Can an applicant receive funding for a photovoltaic project that includes a battery storage system?

A22: Yes; however, the cost of the array of modules must be at least 50 percent of the installed cost of the system.

Q23: What are the applicable performance and quality standards and certification requirements specified by the Maryland Energy Administration?

A23: 1) Standards.

There are specific industry standards that apply to the two types of solar technologies. For solar water heating property the collectors must meet the OG-100 Certification performed by the Solar Rating and Certification Corporation (www.solar-rating.org). For photovoltaic property the photovoltaic system hardware must be in compliance with all applicable performance and safety standards including: *Underwriters Laboratories (UL) 1741, Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Systems and UL 1703, Standard for Safety: Flat-Plate Photovoltaic Modules and Panels*. The system must be installed in compliance with applicable requirements of local electric codes and the National Electric Code (NEC). Utility interconnected (grid-tied) systems must be installed in compliance with *IEEE Standard 929-2000, Recommended Practice for Utility Interface of Photovoltaic Systems*.

A23: 2) Certifications.

Upon completion, testing and inspection of the system, a Completion Certificate and required supporting documentation must be submitted to the Maryland Energy Administration certifying that the installation meets all necessary codes requirements prior to disbursal of grant funds.

Q24: Is the applicant required to own the structure on which the solar energy system will be installed?

A24: Yes. The applicant must own the building on which the solar project will be installed. MEA may consider projects on a leased facility only if there is prior written consent of the building owner. This documentation must accompany the grant application.

Q25: I have a home office. Would a solar project on my house be considered a residential or a nonresidential project?

A25: Projects on residences which also serve as a home office are considered primarily residential and are subject to the minimum size requirements and maximum grant amounts as they apply to residences.

Q26: Is there a requirement to provide a site assessment of the solar resource available?

A26: Yes. A shading analysis must be performed using a Solar Pathfinder ® (or equivalent) for all cases where shading occurs between 9:00 a.m. and 3:00 p.m. at any time of year. Results of the shade analysis must be submitted with the application and must determine that 70 percent of the array is shade-free throughout the year to be considered for the grant.

Q27: If the applicant intends to install a solar energy system in a historic district or in a community that has a homeowners association, do they need to get approval from the appropriate authority prior to installing a solar energy system?

A27: Yes. If the applicant plans to install a solar energy system in a historic district or in a community that has a homeowners association, they do need to get approval from the appropriate authority prior to installing a solar energy system. A copy of the written approval is required prior to MEA's grant offer.

Q28: Can individuals, businesses and local governments apply for more than one grant?

A28: For each annual solicitation of grant applications, individuals, businesses and local governments may apply for one grant from each solar energy category (photovoltaic solar or solar water heating). If sufficient funds are available, MEA may consider on a case by case basis allowing for more than one grant for each technology in the same funding cycle for applicants who own more than one building.

Q29: Can I apply for a grant if I have received funding from MEA in the past?

A29: Yes, you can apply for a grant even if you have received funding from MEA in a previous year. Minimum size requirements apply to the new project. See Q&A #15 for details.

Q30: Is multi-family housing considered a residential or commercial project?

A30: Multi-family housing projects will be treated on a case-by-case basis. Typically, buildings with four or more units are considered commercial structures by codes officials. Commercial buildings are subject to different minimum size requirements than residential structures. See Q&A #15 for details.

Q31: Are portable solar energy systems eligible for grants?

A31: No. Portable solar energy systems are not eligible for grants under this program.

V. Application Procedures

Q32: Does the applicant need to have a cost estimate prior to applying for a solar energy grant?

A32: Yes. The applicant must submit a copy of the installed cost estimate with the application. The preferred method of cost estimate is a signed contract with a solar installer. The applicant may submit a signed purchase order or a signed letter of intent as a form of cost estimate.

Q33: Does the applicant need to submit a diagram of the proposed system and a site plan with the application?

A33: Yes. According to the program regulations, "...Each grant application shall contain the following:

- (h) A system schematic or line drawing of the proposed system;
- (i) The site plan;
- (j) If the array is to be located or collectors are to be located on a building or roof, a roof diagram illustrating the following:
 - (i) The roof dimensions, including angle, length, and width;
 - (ii) The location of the collectors or modules on the roof;
 - (iii) The orientation and tilt of array or collectors; and
 - (iv) The shading analysis;
- (k) If the array is, or collectors are, not to be located on a building roof, a diagram illustrating the following:
 - (i) The orientation and tilt of array or collectors; and
 - (ii) The shading analysis;..."

Q34: What steps are required to apply for a solar energy grant?

A34: To apply for a solar energy grant an applicant must choose the appropriate Application Form for the specific type of solar technology to be installed. There are separate Application Forms for Solar Water Heating and for Photovoltaic Solar. The Application Form must be completely filled out and signed by the applicant. The applicant must also submit the Pre-Qualification Form and the required supporting documentation. The Application Forms and Pre-Qualification Forms will be provided by the Maryland Energy Administration. The Application Form is available as a

downloadable PDF file on MEA's Web site:

www.energy.maryland.gov/programs/renewable/solargrant. If necessary, applications can be mailed to you. Contact meainfo@energy.state.md.us or call 1-800-723-6374. There is also an *Application Process Information Sheet* available on the Web site to assist with the application process.

Q35: What information is required to be provided to apply for a grant besides the Application Form?

A35: Please refer to the *Application Process Information Sheet* on MEA's Web site for details.

The following information must accompany the Application Form:

- A completed and signed Pre-Qualification Form;
- A copy of the project estimate, purchase order, or letter of intent;
- A system schematic or line drawing of the proposed system;
- Site plan;
- Orientation and tilt of array or collectors; and
- The shading analysis

If the array is to be located or collectors are to be located on a building roof, a roof diagram illustrating the following additional information is required:

- The roof dimensions, including angle, length, and width;
- The location of collectors or modules on the roof.

Q36: Can I FAX or e-mail my application?

A36: No. Applications must be mailed, sent by a delivery service or hand-delivered to MEA at the following address:

-Attention- Solar Energy Grant Program
Maryland Energy Administration
1623 Forest Drive, Suite 300
Annapolis, MD 21403

Q37: Is a mailed application dated on the day it arrives at MEA or from the posted date?

A37: All applications are date stamped the day they arrive at MEA.

Q38: Are there additional incentives available for solar projects beyond this grant program?

A38: Yes. Federal tax credits are available in 2006 and 2007 for solar water heating and photovoltaic solar energy systems. They cover 30% of the net system cost after other incentives. There is a \$2000 cap for residential projects and no cap for commercial projects. Refer to the Database of State Incentives for Renewable Energy (DSIRE) Web site www.dsireusa.org for the latest information on State and federal incentives.

Net energy metering is available to Maryland citizens that generate electricity from photovoltaic solar energy or other renewable resources such as wind and biomass. For more information please see the summary and statute on the Maryland Solar Roofs page www.energy.maryland.gov/programs/renewable/solarroofs.

In some cases, MEA has provided partial funding for solar schools and other projects from a separate fund source. Solar schools and other project applications will be treated on a case by case basis. MEA's support of the project will be based on availability of funds, identification by the grantee of other matching fund sources, geographic location and, among other things, are subject to the discretion of MEA's Director.

Q39: What is the timeframe in which MEA will be accepting applications?

A39: MEA will begin accepting applications for the third funding cycle on June 1, 2006. MEA will begin making grant offers in July 2006.

Q40: How will MEA determine which applicants receive funding?

A40: Only complete and qualified applications will be given consideration for grant offers.

It is MEA's intent to provide equitable distribution of grant funds throughout Maryland so that grants can be awarded in as many counties as possible.

Therefore, the first qualified application from each Maryland county, including Baltimore City, shall be reviewed and, if appropriate, provided a Grant Commitment Letter.

The remaining funds will be distributed to qualified applicants based on the date the Application, Pre-Qualification Form and all supporting documentation is received by MEA. The distribution of these remaining funds will not be based on geographic location but distributed on a first-come, first-served basis for qualified applications throughout the State until all funds are committed.

It is possible that not all qualified applicants will be offered grants.

VI. Grant Offers & Awards

Q41: What is the process after applications are submitted to MEA?

A41: Please see the *Grant Offers and Awards Process Information Sheet* on our Web site www.energy.maryland.gov/programs/renewable/solargrant for more information.

Q42: What is the award process for projects where the final cost varies from the original cost estimate provided on the Application and Grant Commitment Letter?

A42: If final costs are higher than the initial estimate specified in the Application and Grant Commitment Letter, MEA will only provide the amount of funds specified in the Grant Commitment Letter. If final costs are lower than the initial estimate specified in the Application and Grant Commitment Letter, MEA shall provide grant funds as follows:

The lesser of 20 percent of system cost or the maximum amount of grant allowed for the particular grant category.

Q43: I submitted an application in the most recent solar grant program funding cycle but did not receive a grant offer. Is my application still under consideration for funding?

A43: Yes. In most cases MEA will still consider funding projects that did not receive a grant offer in the previous funding cycle. The applications that were submitted are still on file at MEA.

In a few cases applications were deemed ineligible. In these cases, MEA will notify the applicants of the reasoning for the determination.

In some cases certain applications require additional information to be considered complete and eligible for funding.

In all cases applicants from previously submitted applications who desire to continue to be considered for funding will be required to submit a one-page ***Application Update Form*** provided by MEA. The ***Application Update Form*** can be downloaded from the solar grants section of the MEA Web site

www.energy.maryland.gov/programs/renewable/solargrant or sent by mail upon request.
